GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:1924
ANSWERED ON:27.07.2017
Exit Policy for the Investors
Parthipan Shri R.

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the road and highway sector in the country is inching its way forward with revival of investors interest taking place in the sector scripting a new architecture of policy and implementation and anticipates the problems and suggest remedies;

(b) if so, the details thereof;

(c) whether significant changes like relaxing of the exit policy for the investors, innovative payment methods based on hybrid annuity and engineering, procurement and construction business models, reviving of stalled project, leasing 104 existing tollable projects to the private companies and global funding agencies allow the road transport and highways a heaven to investors; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

(SHRI PON. RADHAKRISHNAN)

(a) to (d) Yes Madam. There has been a revival of investor interest in the highways sector as the Government has identified issues and tried to address the bottlenecks through appropriate policy interventions and other measures. Major policy measures that have made an impact include allowing 100% divestment of equity to concessionaires post 2 years of operation for PPP projects, revival of stalled PPP projects, use of innovative PPP models with emphasis on proper re-balancing of risk between the Authority and Private Sector e.g. the Hybrid Annuity Model and monetization of public funded operational NH assets through Toll Operate Transfer (ToT) Model, and others. 75 public funded NH projects with aggregate length of 4,500 km and annual toll revenue collection of around Rs 2,700 crores have been identified for being taken up under the Toll-Operate-Transfer Model. As a result of all these steps, investor interest is reviving.

For example, in 2015-16, 11 BOT NH projects with estimated cost of Rs 13,000 crore and 11 Hybrid Annuity NH projects with estimated cost of Rs 8,700 crore were awarded. Similarly in 2016-17, 4 BOT projects with estimated cost of Rs 4,600 crore and 42 Hybrid Annuity projects with estimated cost of Rs 34,300 crore have been awarded.
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